

1 Title 4. Business Regulations
2 Division 18. California Gambling Control Commission
3 Chapter 6. State Gambling Licenses and Approvals for Gambling
4 Establishments, Owners, and Key Employees
5

6 **Section 12350 Limitations on Reopening Closed Cardrooms**

7 (a) Any person who held a license to operate a gambling establishment on December
8 31, 1999, or had an application on file with the department on September 1,
9 2000, may submit an application for a state gambling license in order to operate
10 the gambling establishment associated with the previously held license, even if
11 the gambling establishment subsequently closed.
12

13 (b) The applicant must submit the following:

- 14 (1) All applicable forms for an initial application required pursuant to
15 Section 12342;
- 16 (2) All fees and deposits required for an initial application for licensure
17 by Section 12341 and Title 11, CCR, Section 2037;
- 18 (3) A copy of the last license issued by the state authorizing the
19 applicant to operate the gambling establishment, which includes
20 either a provisional license or a state gambling license;
- 21 (4) A copy of the last license issued by the local jurisdiction;
- 22 (5) A copy of the current applicable local gambling ordinance;
- 23 (6) An opinion from the chief legal officer of the local jurisdiction,
24 certifying that the reopening of the gambling establishment is
25 authorized by and consistent with the local gambling ordinance;
- 26 (7) A copy of a formal resolution adopted by the applicable city council
27 or board of supervisors which clearly states a willingness to issue a
28 local license to the applicant, contingent upon issuance of a state
29 license;
- 30 (8) A statement signed by the chief law enforcement officer of the
31 local jurisdiction that he or she supports the reopening of the
32 gambling establishment;
- 33 (9) An economic feasibility study that demonstrates to the satisfaction
34 of the Commission that the proposed gambling establishment will
35 be economically viable, and that the owners have sufficient
36 resources to make the gambling establishment successful and to
37 fully comply with all requirements of the local ordinance, the
38 Gambling Control Act, state regulations, and all local, state, and
39 federal tax laws;
- 40 (10) An estimate, concurred in by the chief executive officer of the local
41 jurisdiction, of the number of jobs, if any, that would be created if
42 the gambling establishment reopened;

- 1 (11) An estimate, concurred in by the chief executive officer of the local
2 jurisdiction, of the revenue, if any, that would be provided to the
3 local jurisdiction if the gambling establishment reopened;
4 (12) A statement, signed by the applicant, acknowledging willingness to
5 be bound by conditions included in subsections (c), (d), (e), (f), and
6 (g).
7
- 8 (c) (1) The applicant shall pay for a certified public accounting firm to conduct
9 the financial background investigation required pursuant to Section 19826 of
10 the Business and Professions Code. The public accounting firm shall meet all
11 of the following conditions:
12 (A) The firm shall be licensed and domiciled in California.
13 (B) The firm shall have forensic accounting experience.
14 (C) The firm may not have performed services for the applicant
15 during the previous five years.
16 (D) The firm shall be subject to the approval of the Bureau.
17
- 18 (2) The financial background investigation shall be conducted by the certified
19 public accounting firm in consultation with the Bureau, and shall include,
20 at a minimum, the following components:
21 (A) Confirmation of all accounting records that reflect separate
22 financial entities for all related businesses and individual
23 owners.
24 (B) Identification of all owners, companies, and subsidiaries
25 connected to the application.
26 (C) An assessment determining if the applicant has sufficient
27 financial resources to sustain the gambling establishment.
28 (D) Identification of affiliated persons and entities potentially
29 subject to licensure by the Commission.
30 (E) An assessment of reliability of financial information provided
31 in connection with the application.
32 (F) An assessment of the consistency of reported financial
33 information with the economic feasibility study submitted
34 pursuant to this section.
35 (G) An assessment of reasonableness of reported/projected
36 revenue.
37 (H) Identification of any indications the applicant may be involved
38 in illegal or questionable activities.
39 (I) Identification of any prohibited financial or managerial
40 interests of the applicants, owners, or other principals.
41
- 42 (d) (1) The Commission shall consider the state gambling license application at a
43 public hearing pursuant to the Gambling Control Act and any applicable
44 regulations. In addition to the information submitted as part of the

1 application, the Commission may consider testimony and letters of support or
2 opposition from the local community and neighboring local jurisdictions that
3 may be impacted by the gambling establishment, including local governing
4 bodies, public officials, individuals or community interest groups. Information
5 from the applicant's prior application file and any previous administrative
6 actions taken by the Commission or the Bureau may also be considered.
7

8 (2) Notice must be provided to the local community concerning the date of
9 the Commission's hearing of the application. A notice of the intent to reopen
10 a local gambling establishment must be published in a newspaper of general
11 circulation in the local jurisdiction in which the establishment will be located.
12 The notice shall be published for at least two weeks pursuant to Section 6066
13 of the Government Code, and shall include the address of the proposed
14 gambling establishment, the proposed number of gambling tables, the
15 planned hours of operation, and the Commission's scheduled hearing date for
16 consideration of the application. The final day of publication must be at least
17 seven days prior to the scheduled hearing date. The applicant is solely
18 responsible for the publication of the notice, and must promptly provide
19 documentation to the Commission demonstrating compliance with this
20 publication requirement.
21

22 (e) All signed statements required in subsection (b) shall be dated no more than 90
23 days prior to the date the Commission receives the application.
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25 (f) No temporary licenses shall be issued to applicants under this section.
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27 (g) The gambling establishment to be reopened must be located in the same local
28 jurisdiction in which it was previously licensed.
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30 (h) An application for a state gambling license submitted pursuant to this section
31 must be received by the Commission within six months of the effective date of
32 this section.
33

34 (i) Nothing in this section shall be construed to allow any person whose state
35 gambling license was previously denied or revoked to reapply for a state gambling
36 license.
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38 **Authority:** Sections 19824, 19840, 19841 and 19963, Business and Professions Code.

39 **Reference:** Sections 19811, 19823, 19851, 19856, 19860, 19862, 19864, 19865, 19960, and 19963,
40 Business and Professions Code.